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## **Xinyuan Property Management Service (Cayman) Ltd.**

**鑫苑物業服務集團有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1895)**

### **CONNECTED TRANSACTION PROVISION OF FINANCIAL ASSISTANCE PURCHASE OF APARTMENTS AND SUBSEQUENT TERMINATION AND CAR PARKING SPACE EXCLUSIVE SALES COOPERATION SUB-AGREEMENTS AND SUBSEQUENT TERMINATION**

#### **PROVISION OF FINANCIAL ASSISTANCE**

The Board announces that on 2 March 2020 and 17 March 2020, the Company provided loans of HK\$88,790,233.07 and HK\$22,087,244.61 respectively to Xinyuan Real Estate Holdings, who have repaid the two aforesaid loans on 30 June 2020.

#### **LISTING RULES IMPLICATIONS**

Pursuant to Rule 14.04 of the Listing Rules, the two aforesaid loans constitute financial assistance provided by the Company to Xinyuan Real Estate Holdings, which in turn constitute transactions of the Company. Pursuant to Rules 14.22 and 14.23 of the Listing Rules, the two aforesaid loans shall be aggregated because they were entered into with the same connected person within the same 12-month period. Upon aggregation of the two aforesaid loans, as one or more applicable percentage ratios are more than 5% but are all less than 25%, the two aforesaid loans constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules, and are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

At the material time of the two aforesaid loans, Xinyuan Real Estate Holdings was indirectly interested in 60% of the issued Shares of the Company, and was a controlling shareholder of the Company. Therefore, Xinyuan Real Estate Holdings and its associates were connected persons of the Company under Chapter 14A of the Listing Rules, and the two aforesaid loans constitute connected transactions of the Company. Upon aggregation of the two aforesaid loans, as one or more applicable percentage ratios are more than 5%, the two aforesaid loans are subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. As Xinyuan Real Estate Holdings has repaid the two aforesaid loans on 30 June 2020, the Board will not submit the two aforesaid loans for approval by the Independent Shareholders of the Company.

### **PURCHASE OF APARTMENTS AND SUBSEQUENT TERMINATION**

The Board announces that on 16 September 2020 and from 30 November 2020 to 1 December 2020, in order to pay Xinyuan Real Estate Holdings the deposits for the purchase of apartments of Zhengzhou Xinyuan Jinshui Guancheng Project\* (鄭州鑫苑金水觀城項目), Xinyuan Science, a subsidiary of the Company, made successive payments of RMB35,000,000 and RMB60,000,000 as deposits to Xinyuan China through Henan Qingning. Subsequently, as Xinyuan Science and Xinyuan China could not reach an agreement on the terms of the transactions, the relevant transactions were terminated and the aforesaid deposits have been returned.

### **LISTING RULES IMPLICATIONS**

Pursuant to Rule 14.04 of the Listing Rules, the purchase of the apartments constitutes a transaction of the Company. Pursuant to Rules 14.22 and 14.23 of the Listing Rules, the two aforesaid deposits shall be aggregated as if they were one transaction because they were paid to the same connected party within a 12-month period. Upon aggregation of the two deposits, as one or more applicable percentage ratios are more than 5% but less than 25%, the purchase of the apartments constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules, and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

During the period when the Company paid the deposits to Xinyuan China for the purchase of the apartments, Xinyuan Real Estate Holdings was indirectly interested in 54.6% of the issued Shares of the Company, and was a controlling shareholder of the Company, while Xinyuan China was a subsidiary of Xinyuan Real Estate Holdings. Therefore, Xinyuan Real Estate Holdings and Xinyuan China were connected persons of the Company under Chapter 14A of the Listing Rules, and the purchase of the apartments constitutes a connected transaction of the Company. Upon aggregation of the two deposits, as one or more applicable percentage ratios are more than 5%, the purchase of the apartments is subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. As the transaction regarding the purchase of the apartments has been terminated, the Board will not submit the purchase of the apartments for approval by the Independent Shareholders of the Company.

### **CAR PARKING SPACE EXCLUSIVE SALES COOPERATION SUB-AGREEMENTS AND SUBSEQUENT TERMINATION**

The Board announces that from December 2020 to February 2021, the Group made successive prepayments to Xinyuan Guangsheng, Zhengzhou Xinnan, Mingyuan Landscape and Xinyuan Wanzhuo in respect of a series of car parking space exclusive sales cooperation agreements (together, the **“Car Parking Space Exclusive Sales Cooperation Sub-agreements”**). Pursuant to the Car Parking Space Exclusive Sales Cooperation Sub-agreements, the Group may separately enter into service agreements with the relevant buyers for the sales of the designated car parking spaces and directly charge service fees to such buyers.

As stated in the announcement of the Company dated 27 October 2021, the Group previously understood that the aforesaid Car Parking Space Exclusive Sales Cooperation Sub-agreements fall under the car parking space exclusive sales agreement dated 17 September 2020 between the Company and Xinyuan Real Estate Holdings (the **“Framework Agreement”**), which was approved by the Independent Shareholders of the Company on 9 November 2020. Upon assessment by external advisors, however, the Company recognises that the aforesaid Car Parking Space Exclusive Sales Cooperation Sub-agreements do not fall under the Framework Agreement, as the relevant car parking spaces were not the designated car parking spaces listed in the Framework Agreement. Having understood the above, the Company gradually commenced the return of the prepayments for the car parking spaces and the termination of the respective transactions. As at the date of this announcement, the relevant procedures have been fully completed.

## **LISTING RULES IMPLICATIONS**

Pursuant to Rule 14.04 of the Listing Rules, the Car Parking Space Exclusive Sales Cooperation Sub-agreements constitute transactions of the Company. Pursuant to Rules 14.22 and 14.23 of the Listing Rules, the Car Parking Space Exclusive Sales Cooperation Sub-agreements and the Framework Agreement shall be aggregated as if they were one transaction because they were related transactions completed within a 12-month period. Upon aggregation of the Car Parking Space Exclusive Sales Cooperation Sub-agreements and the Framework Agreement, as one or more applicable percentage ratios are more than 25% but less than 75%, the Car Parking Space Exclusive Sales Cooperation Sub-agreements constitute a major transaction of the Company under Chapter 14 of the Listing Rules, and are subject to the reporting, announcement and Independent shareholders' approval requirements under Chapter 14 of the Listing Rules.

At the material time of the Car Parking Space Exclusive Sales Cooperation Sub-agreements, Xinyuan Real Estate Holdings was indirectly interested in more than 50% of the issued Shares of the Company (Xinyuan Real Estate Holdings was indirectly interested in 54.6% of the issued Shares of the Company prior to the completion of the placing and subscription on 8 February 2021, and was indirectly interested in 52.86% of the issued Shares of the Company upon the completion of the placing and subscription on 8 February 2021. Please refer to the announcement of the Company dated 8 February 2021 for details), and was a controlling shareholder of the Company, while Xinyuan Guangsheng, Zhengzhou Xinnan, Shandong Xinyuan, Mingyuan Landscape and Xinyuan Wanzhuo were subsidiaries of Xinyuan Real Estate Holdings. Therefore, Xinyuan Real Estate Holdings, Xinyuan Guangsheng, Zhengzhou Xinnan, Shandong Xinyuan, Mingyuan Landscape and Xinyuan Wanzhuo were connected persons of the Company under Chapter 14A of the Listing Rules, and the Car Parking Space Exclusive Sales Cooperation Sub-agreements constitute connected transactions of the Company. Upon aggregation of the Car Parking Space Exclusive Sales Cooperation Sub-agreements, as one or more applicable percentage ratios are more than 5%, the Car Parking Space Exclusive Sales Cooperation Sub-agreements are subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. As the Company has completed the return of the prepayment for the Car Parking Spaces and terminated the respective transaction, the Board will not submit the Car Parking Space Exclusive Sales Cooperation Sub-agreements for approval by the Independent Shareholders of the Company.

## **INTRODUCTION**

The Board hereby announces that:

- (1) on 2 March 2020 and 17 March 2020, the Company provided loans of HK\$88,790,233.07 and HK\$22,087,244.61 respectively to Xinyuan Real Estate Holdings, who have repaid the two aforesaid loans on 30 June 2020;

- (2) on 16 September 2020 and from 30 November 2020 to 1 December 2020, in order to pay Xinyuan Real Estate Holdings the deposits for the purchase of apartments of Zhengzhou Xinyuan Jinshui Guancheng Project\* (鄭州鑫苑金水觀城項目), Xinyuan Science, a subsidiary of the Company, made successive payments of RMB35,000,000 and RMB60,000,000 as deposits to Xinyuan China through Henan Qingning. Subsequently, as Xinyuan Science and Xinyuan China could not reach an agreement on the terms of the transactions, the relevant transactions were terminated and the aforesaid deposits have been returned; and
- (3) from December 2020 to February 2021, the Group made successive prepayments to Xinyuan Guangsheng, Zhengzhou Xinnan, Mingyuan Landscape and Xinyuan Wanzhuo in respect of a series of Car Parking Space Exclusive Sales Cooperation Sub-agreements.

As stated in the announcement of the Company dated 27 October 2021, the Group previously understood that the aforesaid Car Parking Space Exclusive Sales Cooperation Sub-agreements fall under the Framework Agreement dated 17 September 2020 between the Company and Xinyuan Real Estate Holdings, which was approved by the Independent Shareholders of the Company on 9 November 2020. Upon assessment by external advisors, however, the Company recognises that the aforesaid Car Parking Space Exclusive Sales Cooperation Sub-agreements do not fall under the Framework Agreement, as the relevant car parking spaces are not the designated car parking spaces listed in the Framework Agreement. Having understood the above, the Company gradually commenced the return of the prepayments for the car parking spaces and the termination of the corresponding transactions. As at the date of this announcement, the relevant procedures have been fully completed.

## **PROVISION OF FINANCIAL ASSISTANCE**

### **First Financial Assistance**

#### *Details of the Transaction*

##### *Parties to the Transaction*

- (1) Xinyuan Real Estate Holdings; and
- (2) the Company.

##### *Date of Loan*

2 March 2020

##### *Loan Amount*

HK\$88,790,233.07

### *Repayment Date*

30 June 2020

### *Summary of Transaction*

Xinyuan Real Estate Holdings required offshore cash funding. After negotiation, the Company agreed to provide a loan to Xinyuan Real Estate Holdings. On 2 March 2020, the Company provided a loan of HK\$88,790,233.07 to Xinyuan Real Estate Holdings. On 30 June 2020, Xinyuan Real Estate Holdings repaid the loan to the Company.

## **Second Financial Assistance**

### *Details of the Transaction*

#### *Parties to the Transaction*

- (1) Xinyuan Real Estate Holdings; and
- (2) the Company.

#### *Date of Loan*

17 March 2020

#### *Loan Amount*

HK\$22,087,244.61

#### *Repayment Date*

30 June 2020

### *Summary of Transaction*

Xinyuan Real Estate Holdings required offshore cash funding. After negotiation, the Company agreed to provide a loan to Xinyuan Real Estate Holdings. On 17 March 2020, the Company provided a loan of HK\$22,087,244.61 to Xinyuan Real Estate Holdings. On 30 June 2020, Xinyuan Real Estate Holdings repaid the loan to the Company.

## **Listing Rules Implications**

Pursuant to Rule 14.04 of the Listing Rules, the two aforesaid loans constitute financial assistance provided by the Company to Xinyuan Real Estate Holdings, which in turn constitute transactions of the Company. Pursuant to Rules 14.22 and 14.23 of the Listing Rules, the two aforesaid loans shall be aggregated because they were entered into with the same connected

person within the same 12-month period. Upon aggregation of the two aforesaid loans, as one or more applicable percentage ratios are more than 5% but are all less than 25%, the two aforesaid loans constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules, and are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

At the material time of the two aforesaid loans, Xinyuan Real Estate Holdings was indirectly interested in 60% of the issued Shares of the Company, and was a controlling shareholder of the Company. Therefore, Xinyuan Real Estate Holdings and its associates were connected persons of the Company under Chapter 14A of the Listing Rules, and the two aforesaid loans constitute connected transactions of the Company. Upon aggregation of the two aforesaid loans, as one or more applicable percentage ratios are more than 5%, the two aforesaid loans are subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. As Xinyuan Real Estate Holdings has repaid the two aforesaid loans on 30 June 2020, the Board will not submit the two aforesaid loans for approval by the Independent Shareholders of the Company.

## **PURCHASE OF APARTMENTS AND SUBSEQUENT TERMINATION**

### **Details of the Transaction**

#### *Parties to the Transaction*

- (1) Xinyuan China; and
- (2) Xinyuan Science.

#### *Date*

16 September 2020

#### *Assets Acquired*

Xinyuan Science intended to purchase part of the apartments of Zhengzhou Xinyuan Jinshui Guancheng Project located on the intersection of Jinshui Road and Weilai Road, Zhengzhou, Henan Province, PRC, and planned to lease the purchased apartments to Henan Qingning for collection of rent as centralised apartments. As at the date of this announcement, Zhengzhou Xinyuan Jinshui Guancheng Project is under construction and is expected to be completed by the end of 2023.

#### *Consideration*

On 16 September 2020 and during the period from 30 November 2020 to 1 December 2020, Xinyuan Science made an aggregate payment of RMB95,000,000 in successive payments of RMB35,000,000 and RMB60,000,000 as deposits to Xinyuan China through Henan Qingning.

## **Subsequent Termination**

As the parties to the transaction could not reach an agreement on the terms of the transactions, the relevant transactions were terminated. As of 30 December 2020, the aggregate deposits of RMB95,000,000 has been returned.

## **Listing Rules Implications**

Pursuant to Rule 14.04 of the Listing Rules, the purchase of the apartments constitutes a transaction of the Company. Pursuant to Rules 14.22 and 14.23 of the Listing Rules, the two aforesaid deposits shall be aggregated as if they were one transaction because they were paid to the same connected party within a 12-month period. Upon aggregation of the two deposits, as one or more applicable percentage ratios are more than 5% but less than 25%, the purchase of the apartments constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules, and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

During the period when the Company paid the deposits to Xinyuan China for the purchase of the apartments, Xinyuan Real Estate Holdings was indirectly interested in 54.6% of the issued Shares of the Company, and was a controlling shareholder of the Company, while Xinyuan China was a subsidiary of Xinyuan Real Estate Holdings. Therefore, Xinyuan Real Estate Holdings and Xinyuan China were connected persons of the Company under Chapter 14A of the Listing Rules, and the purchase of the apartments constitutes a connected transaction of the Company. Upon aggregation of the two deposits, as one or more applicable percentage ratios are more than 5%, the purchase of the apartments is subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. As the transaction regarding the purchase of the apartments has been terminated, the Board will not submit the purchase of the apartments for approval by the Independent Shareholders of the Company.

## **CAR PARKING SPACE EXCLUSIVE SALES COOPERATION SUB-AGREEMENTS AND SUBSEQUENT TERMINATION**

As previously stated, the Group previously understood that the Car Parking Space Exclusive Sales Cooperation Sub-agreements fall under the Framework Agreement dated 17 September 2020 between the Company and Xinyuan Real Estate Holdings. Pursuant to the Framework Agreement, the agreements entered into by the Company are exclusive sales cooperation agreements, and the Company holds the exclusive sales right to the designated car parking spaces. Accordingly, the following terms are applicable:

### **Exclusive Sales Cooperation**

Xinyuan Real Estate Holdings and/or its subsidiaries Xinyuan Guangsheng, Zhengzhou Xinnan, Shandong Xinyuan and Xinyuan Wanzhuo (together, the “**Counterparties**”) agreed to designate the Group as the exclusive sales partner of designated car parking spaces during



the cooperation period, under which the designated subsidiaries of the Company will be responsible for carrying out the relevant work in relation to the exclusive sales cooperation. Regarding the sales of the designated car parking spaces, the Counterparties and the designated subsidiaries of the Company agreed to adopt a sales cooperation model involving reserve prices, pursuant to which the Counterparties shall, at the request of the designated subsidiaries of the Company, transfer any number of the designated car parking spaces to any independent third party buyer(s) designated by the designated subsidiaries of the Company at the agreed reserve price of such designated car parking spaces.

Under such cooperation model, in respect to each sale and purchase of the designated car parking spaces, the Counterparties will enter into the transfer agreements with the relevant buyers, while the relevant buyers will also enter into separate service agreements with the designated subsidiaries of the Company in respect to the services provided during the sales process of the designated car parking spaces, pursuant to which the designated subsidiaries of the Company shall directly charge to such buyers the service fees (the “**Co-Sales Value-Added Service Fees**”). The designated subsidiaries of the Company may determine the basis for charging the Co-Sales Value-Added Service Fees and decide the amounts of relevant service fees on their own based on prevailing market conditions. The Co-Sales Value-Added Service Fees shall belong to the designated subsidiaries of the Company entirely. The designated subsidiaries of the Company will act on its own benefits to carry out the exclusive sales cooperation and not as an agent of the Counterparties. Pursuant to the arrangement under the exclusive sales cooperation, the designated subsidiaries of the Company will not provide any services or charge any relevant service fees to the Counterparties.

During the Cooperation Period, the Counterparties shall not enter into any arrangement or agreement involving the sale or disposal of the designated car parking spaces with any third party without the prior written consent of the designated subsidiaries of the Company.

### **Exclusive Sales Right**

The Group holds the exclusive sales right to the aforesaid Car Parking Space Exclusive Sales Cooperation Sub-agreements. To ensure the implementation of the arrangement under the Exclusive Sales Cooperation, the Counterparties grant an irrevocable exclusive right to the Group to request the Counterparties to transfer the designated car parking spaces to any independent third party buyer(s) designated by the Group at the car parking space reserve price as permitted by the PRC laws at any time during the cooperation period in accordance with the arrangement agreed in the Car Parking Space Exclusive Sales Cooperation Sub-agreements (the “**Exclusive Sales Right**”). During the Cooperation Period, the Group has the absolute discretion to decide whether it will exercise its Exclusive Sales Right, as well as the specific time, manner and frequency of exercising its Exclusive Sales Right, provided that the buyer(s) designated by the Group must be an independent third party or else the Group shall not exercise its Exclusive Sales Right.

The Exclusive Sales Right is an exclusive right enjoyed by the Group. The Counterparties shall not sell, offer to sell, transfer, gift, pledge or otherwise dispose of any of the designated car parking spaces to any third party, unless with the prior written consent of the Group.

## **Earnest Money**

The Group shall pay Xinyuan Real Estate Holdings and/or its subsidiaries the refundable earnest money in instalments as the guarantee for being the exclusive sales partner of the designated car parking spaces and holding the Exclusive Sales Right, which is the total sum of the car parking space reserve price for all of the designated car parking spaces (the “**Total Car Parking Space Reserve Price**”). Xinyuan Real Estate Holdings and/or its subsidiaries shall, upon the Group meeting the agreed sales rate of the car parking spaces, refund the corresponding portion of the earnest money in accordance with the agreement. During a fixed term after the expiry date of the cooperation period or the rescission or termination of the Car Parking Space Exclusive Sales Cooperation Sub-agreements for any reason (whichever occurs first), Xinyuan Real Estate Holdings and/or its subsidiaries shall refund all the outstanding earnest money. Therefore, the Group is entitled to the full refund of the earnest money from Xinyuan Real Estate Holdings and/or its subsidiaries even it fails to meet any of the agreed sales rates during the cooperation period.

## **Conditions Precedent**

The transactions contemplated under the Car Parking Space Exclusive Sales Cooperation Sub-agreements are subject to the fulfillment of the following conditions:

- (a) the Group having obtained each necessary consent, permit, approval, registration, filing, notice, confirmation, authorisation or waiver for the Car Parking Space Exclusive Sales Cooperation Sub-agreements and/or the exclusive sales cooperation, arrangements and transactions contemplated thereunder, and such consent, permit, approval, registration, filing, notice, confirmation, authorisation or waiver not having been revoked or withdrawn;
- (b) the Counterparties having obtained each necessary consent, permit, approval, registration, filing, notice, confirmation, authorisation or waiver for the Car Parking Space Exclusive Sales Cooperation Sub-agreements and/or the exclusive sales cooperation, arrangements and transactions contemplated thereunder, and such consent, permit, approval, registration, filing, notice, confirmation, authorisation or waiver not having been revoked or withdrawn; and
- (c) all representations, warranties and undertakings given by the Counterparties under the Car Parking Space Exclusive Sales Cooperation Sub-agreements remaining true and accurate in material respects.

## Terms of the Agreement

There are five specific agreements under the Car Parking Space Exclusive Sales Cooperation Sub-agreements, the principal terms of which are set out as follows:

### *Car Parking Space Exclusive Sales Cooperation Sub-agreement I – Xinyuan Guoji Xincheng Phase Two\* (鑫苑國際新城項目二期) Car Parking Space Usage Right Assignment Agreement*

On 21 January 2021, Xinyuan Science, a subsidiary of the Company, entered into a car parking space exclusive sales cooperation sub-agreement (“**Car Parking Space Exclusive Sales Cooperation Sub-agreement I**”) with Xinyuan Guangsheng, the principal terms of which are as follows:

#### *Parties to the Agreement*

- (1) Xinyuan Guangsheng; and
- (2) Xinyuan Science.

#### *Date of the Agreement*

21 January 2021

#### *Earnest Money*

Xinyuan Science shall pay Xinyuan Guangsheng the refundable earnest money in the amount of RMB2,150,000 (the “**Earnest Money**”) in instalments as the guarantee for being the exclusive sales partner of the designated car parking spaces and holding the Exclusive Sales Right, which is the total sum of the reserve price for all of the designated car parking spaces. The specific payment arrangement is as follows:

- |                    |  |
|--------------------|--|
| First instalment:  | payment of 30% of the Total Car Parking Space Reserve Price (i.e. RMB645,000) within 3 days after the date of the agreement; |
| Second instalment: | payment of 20% of the Total Car Parking Space Reserve Price (i.e. RMB430,000) on or before 30 June 2021;                     |
| Third instalment:  | payment of 20% of the Total Car Parking Space Reserve Price (i.e. RMB430,000) on or before 31 December 2021; and             |
| Fourth instalment: | payment of 30% of the Total Car Parking Space Reserve Price (i.e. RMB645,000) on or before 30 June 2022.                     |

The Total Car Parking Space Reserve Price was determined by the parties after arm's length negotiations. The Earnest Money will be settled by Xinyuan Science using cash from its internal resources.

***Car Parking Space Exclusive Sales Cooperation Sub-agreement II – Xinyuan Guoji Xincheng Phase Three AB\* (鑫苑國際新城項目三期AB) Car Parking Space Usage Right Assignment Agreement***

On 21 January 2021, Xinyuan Science, a subsidiary of the Company, entered into a car parking space exclusive sales cooperation sub-agreement (“**Car Parking Space Exclusive Sales Cooperation Sub-agreement II**”) with Xinyuan Guangsheng, the principal terms of which are as follows:

*Parties to the Agreement*

- (1) Xinyuan Guangsheng; and
- (2) Xinyuan Science.

*Date of the Agreement*

21 January 2021

*Earnest Money*

Xinyuan Science shall pay Xinyuan Guangsheng the refundable Earnest Money in the amount of RMB17,150,000 in instalments as the guarantee for being the exclusive sales partner of the designated car parking spaces and holding the Exclusive Sales Right, which is the total sum of the reserve price for all of the designated car parking spaces. The specific payment arrangement is as follows:

- |                    |  |
|--------------------|--|
| First instalment:  | payment of 30% of the Total Car Parking Space Reserve Price (i.e. RMB5,145,000) upon signing of the agreement;     |
| Second instalment: | payment of 20% of the Total Car Parking Space Reserve Price (i.e. RMB3,430,000) on or before 30 June 2021;         |
| Third instalment:  | payment of 20% of the Total Car Parking Space Reserve Price (i.e. RMB3,430,000) on or before 31 December 2021; and |
| Fourth instalment: | payment of 30% of the Total Car Parking Space Reserve Price (i.e. RMB5,145,000) on or before 30 June 2022.         |

The Total Car Parking Space Reserve Price was determined by the parties after arm's length negotiations. The Earnest Money will be settled by Xinyuan Science using cash from its internal resources.

***Car Parking Space Exclusive Sales Cooperation Sub-agreement III – Xinyuan Guoji Xincheng Phase One\* (鑫苑國際新城項目一期) Car Parking Space Usage Right Assignment Agreement***

On 21 January 2021, Xinyuan Science, a subsidiary of the Company, entered into a car parking space exclusive sales cooperation sub-agreement (“**Car Parking Space Exclusive Sales Cooperation Sub-agreement III**”) with Zhengzhou Xinnan, the principal terms of which are as follows:

*Parties to the Agreement*

- (1) Zhengzhou Xinnan; and
- (2) Xinyuan Science.

*Date of the Agreement*

21 January 2021

*Earnest Money*

Xinyuan Science shall pay Zhengzhou Xinnan the refundable Earnest Money in the amount of RMB39,350,000 in instalments as the guarantee for being the exclusive sales partner of the designated car parking spaces and holding the Exclusive Sales Right, which is the total sum of the reserve price for all of the designated car parking spaces. The specific payment arrangement is as follows:

- |                    |   |
|--------------------|---|
| First instalment:  | payment of 30% of the Total Car Parking Space Reserve Price (i.e. RMB11,805,000) within 3 days after the date of the agreement; |
| Second instalment: | payment of 20% of the Total Car Parking Space Reserve Price (i.e. RMB7,870,000) on or before 30 June 2021;                      |
| Third instalment:  | payment of 20% of the Total Car Parking Space Reserve Price (i.e. RMB7,870,000) on or before 31 December 2021; and              |
| Fourth instalment: | payment of 30% of the Total Car Parking Space Reserve Price (i.e. RMB11,805,000) on or before 30 June 2022.                     |

The Total Car Parking Space Reserve Price was determined by the parties after arm’s length negotiations. The Earnest Money will be settled by Xinyuan Science using cash from its internal resources.

***Car Parking Space Exclusive Sales Cooperation Sub-agreement IV – Xinyuan Guoji Urban Garden Project\* (鑫苑國際城市花園項目) Car Parking Space Purchase Agreement***

On 29 June 2020, Mingyuan Landscape entered into a car parking space exclusive sales cooperation sub-agreement (“**Car Parking Space Exclusive Sales Cooperation Sub-agreement IV**”) with Shandong Xinyuan. On 15 January 2021, due to the Group’s plan to exercise the rights and obligations under the Car Parking Space Exclusive Sales Cooperation Sub-agreement IV in place of Mingyuan Landscape, the Group paid in instalments an aggregate sum of RMB4,320,000 in cash as deposits from 15 January 2021 to 26 January 2021. The principal terms of the Car Parking Space Exclusive Sales Cooperation Sub-agreement IV are as follows:

*Parties to the Agreement*

- (1) Shandong Xinyuan; and
- (2) Mingyuan Landscape.

*Date of the Agreement*

29 June 2020

*Earnest Money*

Mingyuan Landscape shall pay Shandong Xinyuan the refundable Earnest Money in the amount of RMB11,900,000 in instalments as the guarantee for being the exclusive sales partner of the designated car parking spaces and holding the Exclusive Sales Right, which is the total sum of the reserve price for all of the designated car parking spaces. The specific payment arrangement is as follows:

- First instalment:                      payment of 60% of the Total Car Parking Space Reserve Price (i.e. RMB7,140,000) within 15 days after the date of the agreement;  
and
- Second instalment:                    payment of 40% of the Total Car Parking Space Reserve Price (i.e. RMB4,760,000) within 60 days after the date of the agreement.

The Total Car Parking Space Reserve Price was determined by the parties after arm’s length negotiations. The Earnest Money will be settled by Mingyuan Landscape using cash from its internal resources.

***Car Parking Space Exclusive Sales Cooperation Sub-agreement V – Meixi Xinyuan Premium Project\* (梅溪鑫苑名家項目) Car Parking Space Purchase Agreement***

On 21 January 2021, Xinyuan Science, a subsidiary of the Company, entered into a car parking space exclusive sales cooperation sub-agreement (“**Car Parking Space Exclusive Sales Cooperation Sub-agreement V**”) with Xinyuan Wanzhuo, the principal terms of which are as follows:

*Parties to the Agreement*

- (1) Xinyuan Wanzhuo; and
- (2) Xinyuan Science.

*Date of the Agreement*

21 January 2021

*Earnest Money*

Xinyuan Science shall pay Xinyuan Wanzhuo the refundable earnest money in the amount of RMB8,760,000 (the “**Earnest Money**”) in instalments as the guarantee for being the exclusive sales partner of the designated car parking spaces and holding the Exclusive Sales Right, which is the total sum of the reserve price for all of the designated car parking spaces (the “**Total Car Parking Space Reserve Price**”). The specific payment arrangement is as follows:

- |                    |  |
|--------------------|--|
| First instalment:  | payment of 57% of the Total Car Parking Space Reserve Price (i.e. RMB5,000,000) on or before 20 January 2021;      |
| Second instalment: | payment of 14% of the Total Car Parking Space Reserve Price (i.e. RMB1,230,000) on or before 30 June 2021;         |
| Third instalment:  | payment of 15% of the Total Car Parking Space Reserve Price (i.e. RMB1,280,000) on or before 31 December 2021; and |
| Fourth instalment: | payment of 14% of the Total Car Parking Space Reserve Price (i.e. RMB1,250,000) on or before 30 June 2022.         |

The Total Car Parking Space Reserve Price was determined by the parties after arm’s length negotiations. The Earnest Money will be settled by Xinyuan Science using cash from its internal resources.

## **Subsequent Termination**

As stated in the announcement of the Company dated 27 October 2021, the Group previously understood that the aforesaid Car Parking Space Exclusive Sales Cooperation Sub-agreements fall under the Framework Agreement dated 17 September 2020 between the Company and Xinyuan Real Estate Holdings, which was approved by the Independent Shareholders of the Company on 9 November 2020. Upon assessment by external advisors, however, the Company recognises that the aforesaid Car Parking Space Exclusive Sales Cooperation Sub-agreements do not fall under the Framework Agreement, as the relevant car parking spaces were not the designated car parking spaces listed in the Framework Agreement. Having understood the above, the Company gradually commenced the return of the prepayments for the car parking spaces and the termination of the respective transactions. As at the date of this announcement, the relevant procedures have been fully completed.

## **Listing Rules Implications**

Pursuant to Rule 14.04 of the Listing Rules, the Car Parking Space Exclusive Sales Cooperation Sub-agreements constitute transactions of the Company. Pursuant to Rules 14.22 and 14.23 of the Listing Rules, the Car Parking Space Exclusive Sales Cooperation Sub-agreements and the Framework Agreement shall be aggregated as if they were one transaction because they were related transactions completed within a 12-month period. Upon aggregation of the Car Parking Space Exclusive Sales Cooperation Sub-agreements and the Framework Agreement, as one or more applicable percentage ratios are more than 25% but less than 75%, the Car Parking Space Exclusive Sales Cooperation Sub-agreements constitute a major transaction of the Company under Chapter 14 of the Listing Rules, and are subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14 of the Listing Rules.

At the material time of the Car Parking Space Exclusive Sales Cooperation Sub-agreements, Xinyuan Real Estate Holdings was indirectly interested in more than 50% of the issued Shares of the Company (Xinyuan Real Estate Holdings was indirectly interested in 54.6% of the issued Shares of the Company prior to the completion of the placing and subscription on 8 February 2021, and was indirectly interested in 52.86% of the issued Shares of the Company upon the completion of the placing and subscription on 8 February 2021. Please refer to the announcement of the Company dated 8 February 2021 for details), and was a controlling shareholder of the Company, while Xinyuan Guangsheng, Zhengzhou Xinnan, Shandong Xinyuan, Mingyuan Landscape and Xinyuan Wanzhuo were subsidiaries of Xinyuan Real Estate Holdings. Therefore, Xinyuan Real Estate Holdings, Xinyuan Guangsheng, Zhengzhou Xinnan, Shandong Xinyuan, Mingyuan Landscape and Xinyuan Wanzhuo were connected persons of the Company under Chapter 14A of the Listing Rules, and the Car Parking Space Exclusive Sales Cooperation Sub-agreements constitute connected transactions of the Company. Upon aggregation of the Car Parking Space Exclusive Sales Cooperation Sub-agreements, as one or more applicable percentage ratios are more than 5%, the Car Parking Space Exclusive Sales Cooperation Sub-agreements are subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of



the Listing Rules. As the Company has completed the return of the prepayment for the Car Parking Spaces and terminated the respective transaction, the Board will not submit the Car Parking Space Exclusive Sales Cooperation Sub-agreements for approval by the Independent Shareholders of the Company.

## **INFORMATION ABOUT THE PARTIES**

### **The Group**

As one of the comprehensive property management services providers in the PRC, the Group offers a wide range of services covering the pre-delivery and post-delivery phases to property developers, property owners and property occupants for their enjoyment of community life, which can be categorised in three main business lines, namely, (i) property management services; (ii) value-added services; and (iii) pre-delivery and consulting services. As at the date of this announcement, Xinyuan Real Estate Holdings is indirectly interested in approximately 52.86% of the issued Shares in the Company, and is one of the controlling shareholders of the Company.

### **Xinyuan Real Estate Holdings**

Xinyuan Real Estate Holdings and its subsidiaries are property developers founded by Mr. Zhang Yong, the chairman of our Board and one of our non-executive Directors, in 1997 and has been dedicated to developing real estate properties with quality and innovative technology. Xinyuan Real Estate Holdings and its subsidiaries have been primarily focusing its businesses in the PRC and currently operates in 20 cities over the PRC. Xinyuan Real Estate Holdings and its subsidiaries focus on developing large scale quality residential projects with the aim of providing middle-class consumers with a comfortable and convenient community life. In addition to the residential projects, Xinyuan Real Estate Holdings and its subsidiaries have also developed and are operating and managing several shopping malls in the PRC. In addition to the PRC market, Xinyuan Real Estate Holdings and its subsidiaries also keep exploring opportunities globally to expand its operation to overseas markets (including several cities in the United States, the United Kingdom and Malaysia). The shares in Xinyuan Real Estate Holdings have been listed on the New York Stock Exchange (Stock Code: XIN) for trading since December 2007. As at the date of this announcement, Mr. Zhang Yong is beneficially interested in approximately 30.18% of the issued shares of Xinyuan Real Estate Holdings, and Ms. Yang Yuyan, one of our non-executive Directors, may be deemed to be beneficially interested in all the shares of Xinyuan Real Estate Holdings held directly or indirectly by The Spectacular Stage Trust (equivalent to 26.51% of the issued shares of Xinyuan Real Estate Holdings).

### **Xinyuan Science**

The principal activities of Xinyuan Science are the provision of property management services, value-added services and pre-delivery and consultation services. Xinyuan Science is an indirect wholly-owned subsidiary of the Company.

## **Henan Qingning**

Henan Qingning and its subsidiaries are principally engaged in the leasing of residential apartments. Henan Qingning is held as to 51% equity interests by the Company and the remaining 49% equity interest is held by Mr. Li Yanhui (李燕輝). As the articles of association of Henan Qingning provide that all significant and relevant matters, including its business operations and financial arrangements, require the approval by more than two-thirds of the shareholders' votes, the decisions on the business operations and financial arrangements of Henan Qingning are made jointly by the Company and Mr. Li Yanhui.

## **Xinyuan China**

Xinyuan China is principally engaged in real estate development and operation, real estate information consultation, corporate management consultation, and corporate marketing and planning. Xinyuan China is an indirect wholly-owned subsidiary of Xinyuan Real Estate Holdings.

## **Xinyuan Guangsheng**

Xinyuan Guangsheng is principally engaged in real estate development and operation, and the sales of ancillary services and facilities. Xinyuan Guangsheng is an indirect wholly-owned subsidiary of Xinyuan Real Estate Holdings.

## **Zhengzhou Xinnan**

Zhengzhou Xinnan is principally engaged in real estate development and operation, and the sales of ancillary services and facilities. Zhengzhou Xinnan is an indirect wholly-owned subsidiary of Xinyuan Real Estate Holdings.

## **Shandong Xinyuan**

Shandong Xinyuan is principally engaged in real estate development, real estate referral services, and property leasing. Shandong Xinyuan is an indirect wholly-owned subsidiary of Xinyuan Real Estate Holdings.

## **Mingyuan Landscape**

Mingyuan Landscape is principally engaged in landscaping and greening works, real estate referral services, real estate agency services, real estate intermediary services, property leasing, cleaning services, human resources agency services, housekeeping services, corporate management consultancy, conference services and culture and arts exchange event planning. Mingyuan Landscape is an indirect wholly-owned subsidiary of Xinyuan Real Estate Holdings.

## **Xinyuan Wanzhuo**

Xinyuan Wanzhuo is principally engaged in real estate development and operation, and property leasing. Xinyuan Wanzhuo is a subsidiary of Xinyuan Real Estate Holdings.

### **DELAY IN PUBLICATION OF ANNOUNCEMENT**

The provision of financial assistance by the Company to Xinyuan Real Estate Holdings occurred on 2 March 2020 and 17 March 2020. The payment of deposits by Xinyuan Science, a subsidiary of the Company, to Xinyuan China for the purchase of apartments occurred on 16 September 2020 and in the period from 30 November 2020 to 1 December 2020. The prepayments by the Group to Xinyuan Guangsheng, Zhengzhou Xinnan, Mingyuan Landscape and Xinyuan Wanzhuo in respect of the Car Parking Space Exclusive Sales Cooperation Sub-agreements occurred from December 2020 to February 2021. Timely disclosure of information and performance of corporate governance procedures for the above transactions were not conducted in accordance with Chapters 14 and 14A of the Listing Rules and the relevant provisions of Chapters 14 and 14A of the Listing Rules were violated. The Board of the Company sincerely apologises for any inconveniences caused to the Shareholders of the Company for its non-compliance.

The Company has appointed Moore Advisory Services Limited as the independent internal controls advisor of the Company, and has implemented relevant remedial measures and enhanced the internal control procedures of the Company. For details, please refer to the Announcement on Internal Control Review Report of the Company dated 31 December 2021.

The Company will continue to strengthen its internal control management and strictly regulate business compliance control and review, in order to prevent the recurrence of similar incidents. In future, the Company will continue to comply with the regulations under the Listing Rules, perform relevant corporate governance procedures and make timely and appropriate disclosures, to ensure compliance with the Listing Rules.

### **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“Board”	the board of Directors
“Company”	Xinyuan Property Management Service (Cayman) Ltd. (鑫苑物業服務集團有限公司), a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1895)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules

“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Henan Qingning”	Henan Qingning Apartment Management Co. Ltd. (河南青寧公寓管理有限公司), a limited liability company established in the PRC on 20 April 2017
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Shareholders”	shareholders of the Company, excluding Xinyuan Real Estate Holdings, Mr. Zhang Yong, Ms. Yang Yuyan and their respective associates
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mingyuan Landscape”	Mingyuan Landscape Engineering Co., Ltd. (名苑園林工程有限公司), a limited liability company established in the PRC on 17 February 2004
“percentage ratio”	has the meaning ascribed to it under the Listing Rules
“PRC”	the People’s Republic of China (excluding Hong Kong, the Macao Special Administrative Region of the People’s Republic of China and Taiwan for the purpose of this announcement)
“RMB”	Renminbi, the lawful currency of the PRC
“Shandong Xinyuan”	Shandong Xinyuan Real Estate Co., Ltd. (山東鑫苑置業有限公司), a limited liability company established in the PRC on 2 June 2006
“Shareholders”	holders of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Xinyuan China”	Xinyuan (China) Real Estate, Ltd. (鑫苑(中國)置業有限公司), a limited liability company established in the PRC on 10 April 2006
“Xinyuan Guangsheng”	Henan Xinyuan Guangsheng Real Estate Co., Ltd. (河南鑫苑廣晟置業有限公司), a limited liability company established in the PRC on 27 July 2015
“Xinyuan Real Estate Holdings”	Xinyuan Real Estate Co., Ltd. (鑫苑地產控股有限公司), a company incorporated with limited liability in the Cayman Islands, the shares of which are listed on the New York Stock Exchange (Stock Code: XIN), and a controlling shareholder of the Company
“Xinyuan Science”	Xinyuan Science and Technology Service Group Co., Ltd. (鑫苑科技服務集團有限公司), a limited liability company established in the PRC on 28 December 1998
“Xinyuan Wanzhuo”	Changsha Xinyuan Wanzhuo Real Estate Co., Ltd. (長沙鑫苑萬卓置業有限公司), a limited liability company established in the PRC on 3 April 2014
“Zhengzhou Xinnan”	Zhengzhou Xinnan Real Estate Co., Ltd. (鄭州鑫南置業有限公司), a limited liability company established in the PRC on 21 January 2016
“%”	per cent

By order of the Board  
**Xinyuan Property Management Service (Cayman) Ltd.**  
**WANG Yanbo**  
*Executive Director and Chief Executive Officer*

Hong Kong, 12 January 2022

*As at the date of this announcement, the Board comprises Ms. WANG Yanbo and Mr. HUANG Bo as executive Directors; Mr. ZHANG Yong and Ms. YANG Yuyan as non-executive Directors; and Mr. LUO Ji, Mr. LI Yifan and Mr. FU Shaojun as independent non-executive Directors.*

\* *for identification purpose only*